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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

A Strategy Chart for the Development of CIA Responses to the Issues Raised by the Senate and House Select Committees.

FROM:

EXTENSION

NO.

DATE

11 October 1975

STAT

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

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As requested at the 5:30 meeting yesterday, attached is an updated listing of the issues arising from the investigations conducted by Senate and House Select Committees. This list was originally prepared at the Director's request to serve as the "issues" column in a strategy chart for developing CIA responses to the issues raised by the Senate and House Select Committees.

Also attached is a listing of problem areas the Director may wish to raise at the White House meeting on Monday.

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"ISSUES" Column of the Strategy Chart

I. Intelligence Community

A. Role and Functions of the DCI.

1. Should the DCI continue to manage the CIA while presiding over the intelligence community?

2. If not, should the future DCI be placed in the NSC or be an autonomous officer reporting directly to the President?

3. A revision of the National Security Act of 1947 is likely. It will include provisions designed to ensure protection of the constitutional rights of American citizens against possible violations. What other new provisions are needed to modernize the National Security Act to fit the future role of U.S. intelligence?

B. Intelligence Community Budgetary Process.

1. What changes need to be made in the community budgetary process to strengthen executive control over American intelligence agencies? Should this include a strengthened role for OMB and NSCIC?

2. Should the DCI authority over the intelligence community budgetary process and resources be augmented to strengthen his command and control? What other measures are necessary to make it possible for the DCI to be held accountable for the performance of the intelligence community?

3. Is intelligence production (estimates, current intelligence, technical intelligence, etc.) worth the enormous amounts of money being poured into this activity?

4. What measures are needed to prevent duplication and financial waste, especially in regard to the management of large technical collection projects?

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C. National Estimative Process.

1. Should the Board of National Estimates be reconstituted, [?]to improve the quality, integrity and independence of national estimate production? How do current national estimates compare to these produced under the BNE?

2. Can other measures be taken to shield national estimates from undue influence of policy-makers and policy executors?

3. Degree of DCI versus intelligence community authority over national intelligence production.

4. The record of the intelligence community for predicting major international events is being studied as a means of determining the real value of the intelligence product to the U.S. Government and public. Is it possible that there is insufficient analysis of available intelligence and inadequate coordination of the intelligence product? How do we assess the value of the intelligence product? Recent HSC hearings on intelligence postmortems of major events have highlighted the predictability issue as a dominant theme of HSC hearings.

D. Improvements Needed in Intelligence Community Security Procedures.

1. Strengthen legal basis for secrecy agreement; need for sources and methods legislation.

2. Improvements in concept and definition of secrecy (FOIA, Privacy Act, etc.).

3. Legislation to regulate the handling of classified information.

4. Procedures for congressional declassification and/or publication of classified information to avoid repetition of confrontation with HSC.

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E. Domestic Activities of the Intelligence Community.

1. Warrantless electronic surveillance within the U.S.. Open hearings postponed for the time being but the issue of domestic electronic surveillance.

2. Need to clarify legal authority for NSA interception of transnational foreign communications.

3. Huston Plan. Open hearings underway designed to demonstrate that the Nixon administration misused the intelligence community for domestic political objectives.

II. Central Intelligence Agency

A. Command and Control over CIA Administration, Budget, Personnel and Operations.

1. Are management procedures and practices adequate to ensure accountability and strict compliance with policy directives?

2. Do internal budget controls and procedures ensure proper oversight of expenditure of funds for authorized activities only? Should the GAO be required to audit CIA expenditures?

3. The quality and responsiveness of CIA intelligence production to U.S. Government and congressional requirements.

4. The quality and timeliness of foreign clandestine intelligence collection and counter-intelligence. How is management by objective applied to human source collection requirements and with what results?

5. Role, utility and future of covert action. Various covert action operations are being studied in depth by the SSC



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Congo, and the impact of the Katzenbach report of 1967 on covert action) and the HSC (list of projects not yet firm) as case studies to ascertain one or more of the following:

(a) As examples of command and control within the CIA and between the CIA and the White House (NSC). Did CIA act as a "rogue elephant rampaging out of control of both the Congress and the President"?

(b) As examples of the misuse of the CIA by various presidents for unauthorized or misguided foreign policy adventures.

(c) As examples of lack of adequate Congressional oversight and as a means of bypassing the will of Congress on foreign policy and foreign aid issues.

(d) As a means of stimulating debate and resolving the issue as to whether covert action is a morally acceptable instrument of foreign policy.

(e) As a means of making a major contribution to U.S. interests at relatively small cost in funds and manpower.

B. Domestic Activities of CIA in Support of Foreign Intelligence Operations.

What legislation is needed to prevent recurrences of abuses revealed in the press, Rockefeller Commission Report and the SSC and HSC investigations? Do these alleged abuses indicate weaknesses in the command and control chain of command? Illustrative of such issues are:

1. The mail intercept program. The SSC has been investigating this issue in depth and has interviewed numerous present and former Agency employees who were direct or indirect participants in the program. HSC and the Abzug subcommittee have thus far dealt with this issue on only a hit-and-run basis.

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2. Proprietaries. CIA proprietaries have become big issues for the SSC and especially the HSC. is receiving special attention. Elaborate arrangements and much work have gone into providing the committee staffs with the information they have requested but without revealing the true identities of the proprietaries and their personnel. The HSC appears determined to prove that the proprietaries are poorly run, financially mismanaged, and may even be conduits for certain improper practices. HSC hearings on this subject are likely.

3. Covert Procurement practices and procedures in the U.S. and accountability for procurement by CIA stations abroad. This is a hot HSC item and in the minds of HSC staffers is related to (2) above. They believe they smell corruption in connection with gifts to foreign sources and contacts.

4. Cooperating U.S. companies. This is of interest to the SSC, especially the multi-national corporations, a subject of special concern to the Chairman. IIT is first on their list, not only because of its Chile involvement but because the SSC staff believes that CIA extended favors, such as intervention with U.S. regulatory agencies, on behalf of these companies in return for services rendered by these companies to CIA abroad.

5. Cooperating U.S. citizens. This is related to (3) and (4) above. We are having great difficulty in protecting the identities of persons in this category, especially as the SSC and HSC staffers zero in on specific activities or believe they have identified an abuse situation.



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7. [] and related activities. The SSC is into this activity and is collecting documents and conducting interviews.

8. Breaking and entering and surveillance conducted in connection with press leaks and CIA personnel security cases. Main interest in this area seems to be in the Department of Justice, but SSC is also looking into this subject.

9. Drug testing. The SSC has been into this subject in great depth and has interviewed a number of employees and ex-employees. What makes this a hairy public relations problem, of course, is the Olson case. HSC has thus far shown little interest in this.

10. Toxins. Not much left to the imagination after the SSC executive session. The hearings were designed to show lax practices in CIA internal command and control.

C. Miscellaneous Allegations of CIA Transgressions.

1. Assassination plotting. This subject has accounted for a major portion of the SSC time and attention over the past few months. A report of some 250-300 pages has been drafted but it appears to have become enmeshed in back-room partisan politics. It is to be reviewed by representatives of the intelligence community before publication.

2. Destruction of files related to drug testing. The SSC has taken an active interest in the subject of drug testing and is, of course, aware of the destruction of certain files. Only the Department of Justice is at this time pursuing the destruction of files ("destruction of U.S. property") as an issue. The FBI has been investigating.

3. Possible perjury charges related to testimony on Chile by senior Agency officials during congressional hearings. The SSC is aware of this issue but only the Department of Justice is actively pursuing.

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4. Possible CIA "penetration" of the White House and other executive agencies by detailees and former Agency employees now employed by these agencies. The suspected purpose is to spy on these agencies and manipulate government officials to the advantage of CIA. Although it defies comprehension, this subject is being vigorously investigated by HSC staff presumably in the hope of vindicating themselves when the Prouty/Butterworth incident blew up in their faces. Every CIA detailee and former detailee they can identify and locate will be interviewed, including secretaries.

III. Congress

Congressional Oversight of CIA

A. How should Congressional oversight of CIA be restructured to ensure adequate detailed knowledge of CIA activities at home and abroad? Select committees of each house or one joint committee for Congress are being considered by both the SSC and HSC. Unresolved is whether the existing oversight committees should be abolished and their functions transferred to a newly established joint committee or select committees.

B. What should be the Congressional role in intelligence acquisitions, intelligence production and decision making on covert action? If covert action is a morally acceptable tool for the conduct of foreign policy, should legislation be passed to require prior consultation with Congress before covert action is undertaken?

C. Should Congress receive the same service from the CIA and other members of the intelligence community as that accorded to the President and the National Security Council? Specifically, should Congress be a customer for intelligence production on an equal basis with the President and NSC members?

D. What specific legislative recommendation should be made to correct the inadequacies and abuses revealed as a result of the SSC and the HSC investigations? Can Congress establish effective controls over the intelligence community through the budgetary and appropriations process? Should the GAO have a role in Congressional oversight? Should there be an "open" intelligence budget?

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ISSUES

SSC

HSC

Other
Congressional
Committees

Department
of Justice

Rockefeller
Commission

CIA Position

I. <u>Intelligence Community</u> A B C D etc.						
II. <u>CIA</u> A B C D etc.						
III. <u>Congress</u> A B C D etc.						

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